

AMENDED IN ASSEMBLY MARCH 28, 2006

AMENDED IN ASSEMBLY MARCH 7, 2006

CALIFORNIA LEGISLATURE—2005–06 REGULAR SESSION

Assembly Joint Resolution

No. 32

Introduced by Assembly Members Arambula and Sharon Runner
(Coauthors: Assembly Members *Bermudez*, *Karnette*, *Nation*,
***Parra*, *Pavley*, and *Vargas*)**

August 16, 2005

Assembly Joint Resolution No. 32—Relative to Qualified Veterans Mortgage Bonds.

LEGISLATIVE COUNSEL'S DIGEST

AJR 32, as amended, Arambula. Qualified Veterans Mortgage Bonds.

This measure would memorialize the President and Congress of the United States to enact legislation that would revise provisions of the Internal Revenue Code to authorize increased issuance of Qualified Veterans Mortgage Bonds by a state to fund home purchase and home improvement loans to specified veterans.

Fiscal committee: no.

1 WHEREAS, In addition to the benefits provided by the United
2 States Department of Veterans Affairs, individual states have
3 long been leaders in recognizing and rewarding the tremendous
4 sacrifice of our nation's veterans; and

5 WHEREAS, Home ownership is viewed by many as a
6 cherished component of the American dream; and

1 WHEREAS, Enabling veterans to achieve home ownership at
2 a lower cost is a small reward for their faithful service while in
3 the United States Armed Forces; and

4 WHEREAS, In appreciation of this service on behalf of our
5 state and nation, the States of Wisconsin, Texas, Oregon,
6 California, and Alaska have offered low-interest rates on home
7 loan mortgages to ~~eligible~~ *qualified* veterans for many decades;
8 and

9 WHEREAS, This program has assisted over a million veterans
10 in obtaining affordable housing and in making a better life for
11 themselves and their dependents; and

12 WHEREAS, These states utilize tax-exempt bonds known as
13 Qualified Veterans Mortgage Bonds (QVMBs) to fund almost all
14 of the home purchase and home improvement loans made to
15 veterans; and

16 WHEREAS, Current federal law governing the use of
17 tax-exempt bonds used to fund these loans, as set forth in Section
18 143(l)(4) of the Internal Revenue Code, unfairly limits these
19 programs to only those veterans who served prior to January 1,
20 1977; and

21 WHEREAS, This restriction unfairly prevents all veterans
22 serving on active duty post-1976 from using QVMBs, including
23 the over 500,000 men and women who served in Desert Shield
24 and Desert Storm and the 180,000 Reservists and National Guard
25 members called up to serve our country since September 11,
26 2001; and

27 WHEREAS, The United States of America is once again at
28 war, which will create new veterans and, unless action is taken
29 by Congress, these new veterans will come home to diminished
30 benefits; and

31 WHEREAS, The current federal statute devalues the military
32 service of men and women who have voluntarily worn the
33 military uniform of the United States Armed Forces since 1977
34 by denying them access to a benefit that has been available to
35 their comrades-in-arms from other eras for more than
36 three-quarters of a century; and

37 WHEREAS, Since 1922, California has operated, at no
38 expense to its General Fund, the Cal-Vet Home Loan Program, a
39 QVMB program that has helped over 415,000 California wartime
40 veterans become homeowners; and

1 WHEREAS, By limiting the QVMB programs to pre-1977
2 Veterans, California and the other four states are faced with the
3 problem that the programs will effectively end in 2007, when the
4 vast majority of veterans will no longer be eligible since, by that
5 time, most wartime veterans will have either been out of active
6 military duty more than 30 years or will have entered active duty
7 after December 31, 1976; and

8 WHEREAS, These courageous men and women, many serving
9 in harm's way even today, deserve the same benefits offered to
10 their earlier comrades in arms, yet the states, in which they and
11 their families reside, deny them the opportunity to use QVMBs;
12 now, therefore, be it

13 *Resolved by the Assembly and the Senate of the State of*
14 *California, jointly,* That the Legislature of the State of California
15 memorializes the President and the Congress of the United States
16 to support legislative action to immediately remove the
17 discriminatory portion of Section 143(l)(4) of the Internal
18 Revenue Code, so that today's veterans and their families might
19 enjoy the same benefits as their earlier counterparts; and be it
20 further

21 *Resolved,* That the Chief Clerk of the Assembly transmit
22 copies of this resolution to the President and Vice President of
23 the United States, to the Speaker of the House of
24 Representatives, to the Majority Leader of the Senate, to each
25 Senator and Representative from California in the Congress of
26 the United States, and to the Secretary of the Department of
27 Veterans Affairs.